



Q3 2018 Investor Conference

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A hand is shown dropping a coin into a stack of coins. A small plant is growing out of the stack of coins. The background is a blurred green and yellow bokeh.

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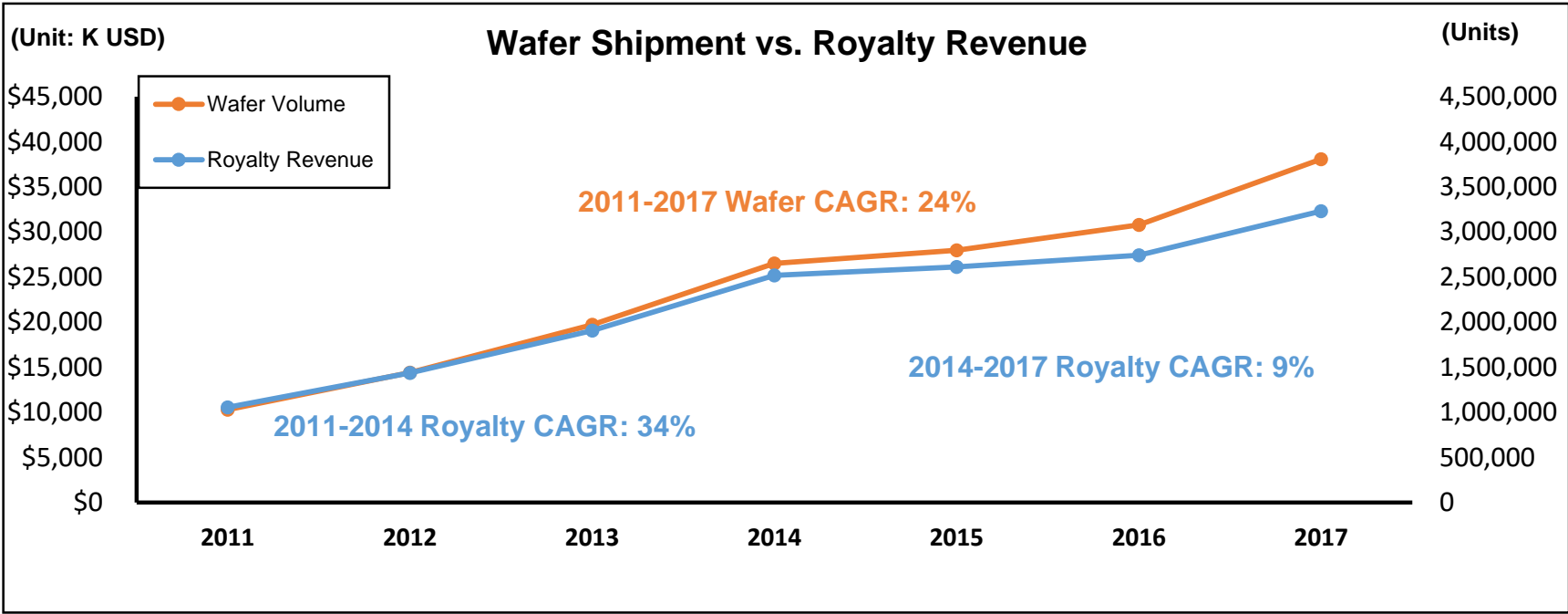
4 Q&A

A hand is shown dropping a coin into a tall stack of coins. To the left, a smaller stack of coins has a small green plant with three leaves growing out of it. The background is a warm, golden-brown color with a white, brush-stroke-like border on the left side.

Review of Operations

Review of Wafer Shipments and Revenue

While wafer shipments have maintained rapid growth, revenue growth has lagged since 2014



Wafer shipments volume increased at CAGR of 24%, however royalty revenue did not meet such growth, reasons include:

- ✓ Wafer price erosion for mature technology in major foundries over the years.
- ✓ Migration of customers from major to 2nd tier foundries causing lower wafer prices.
- ✓ Transition of new technology adoption due to lack of production track record.



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Our progress over the past 5 years

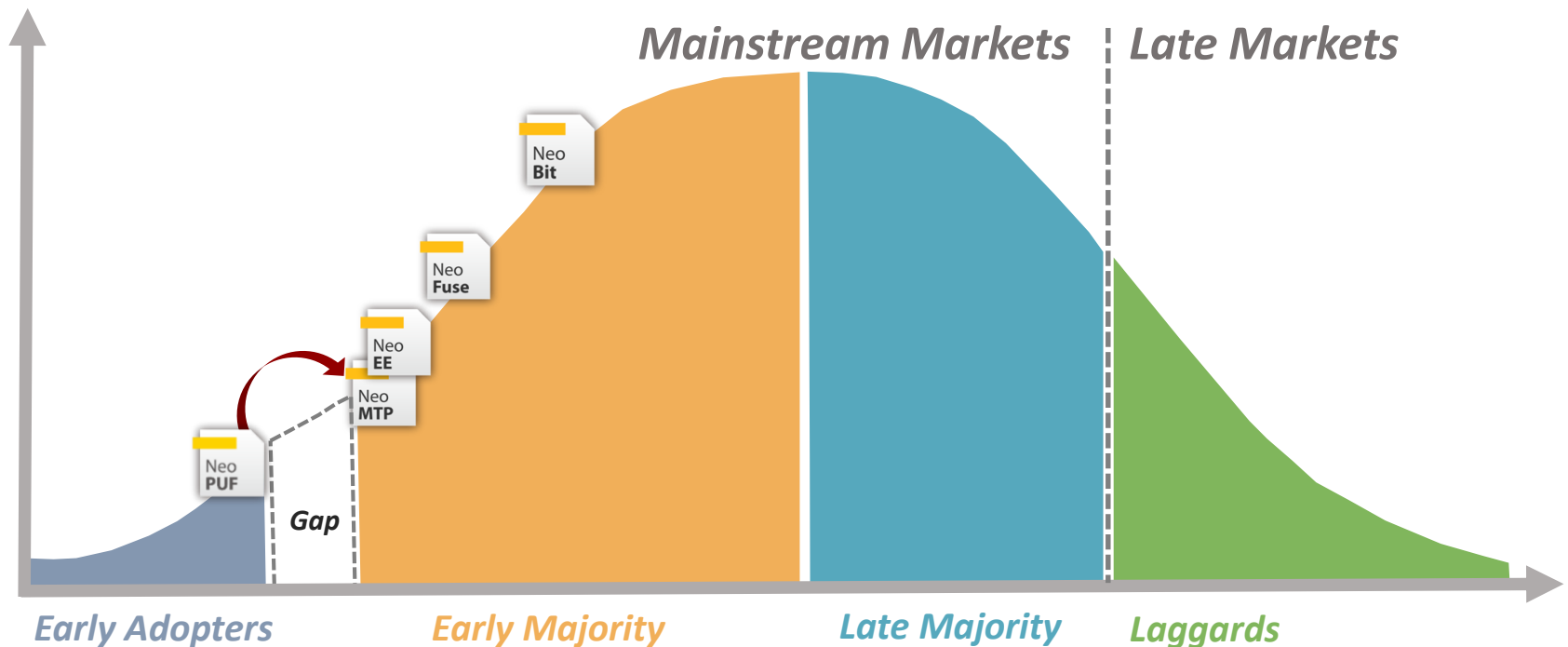
New technologies have become the driving force

Completed

- ✓ Developed new technologies including NeoFuse, NeoEE, and NeoMTP, that have crossed the chasm for commercialization
- ✓ Developed root of trust security IP - NeoPUF

In progress

- ✓ Partnering with a large IP company in the co-development of integrated security element IP
- ✓ Co-developing emerging memory with an IDM company



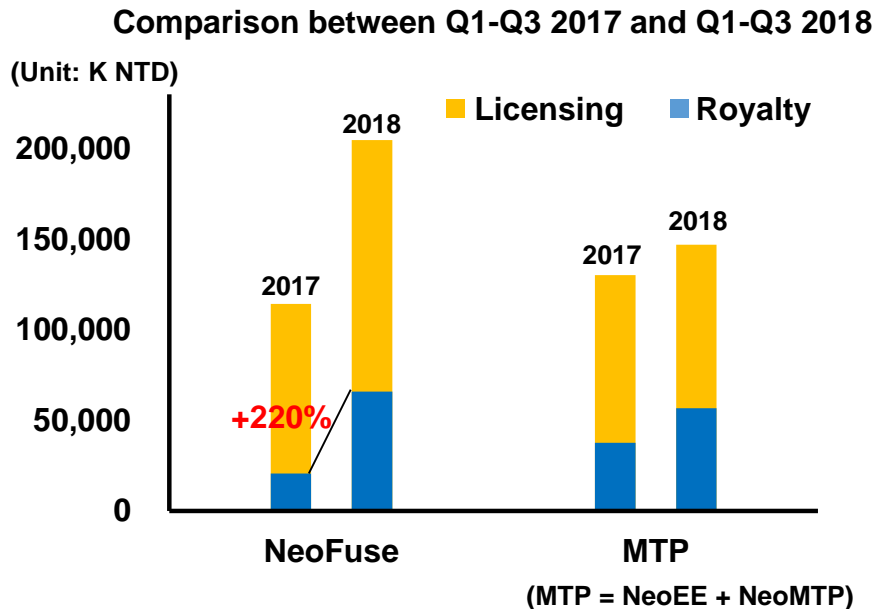
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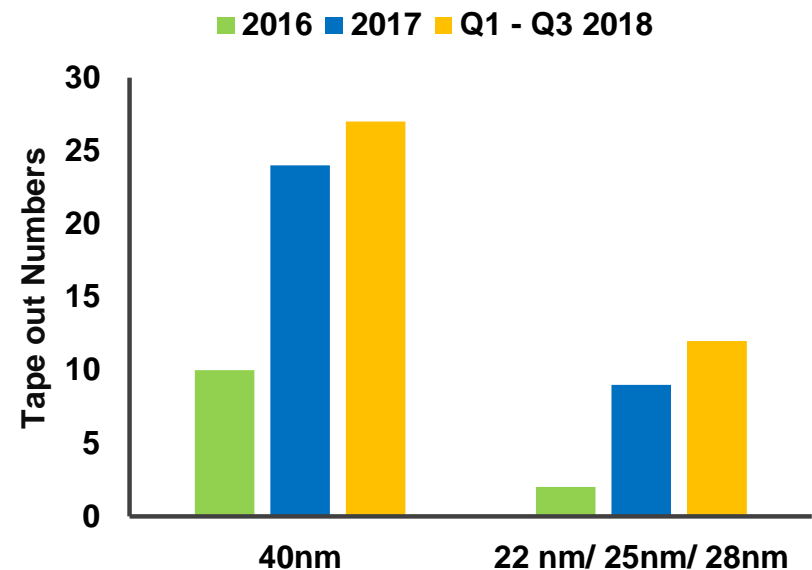
Previous efforts are paying off

NeoFuse is now the driving force for technologies at 40nm and below

NeoFuse is showing promising potential



Rapid growth in advanced nodes



- ✓ Revenue contribution from NeoFuse increased significantly from 2017 to 2018
- ✓ The growth in NeoFuse royalty revenue was driven by 2016-17 product tape-outs
- ✓ Product tape-outs in 2018 will bring in additional royalty in 2019 and 2020

Future Outlook



Total Coverage in Advanced Nodes

A complete spectrum of solutions is powering eMemory's growth

≤55 nm

eMemory has accumulated sufficient production records in 55nm and below, adoption will accelerate.

28 nm

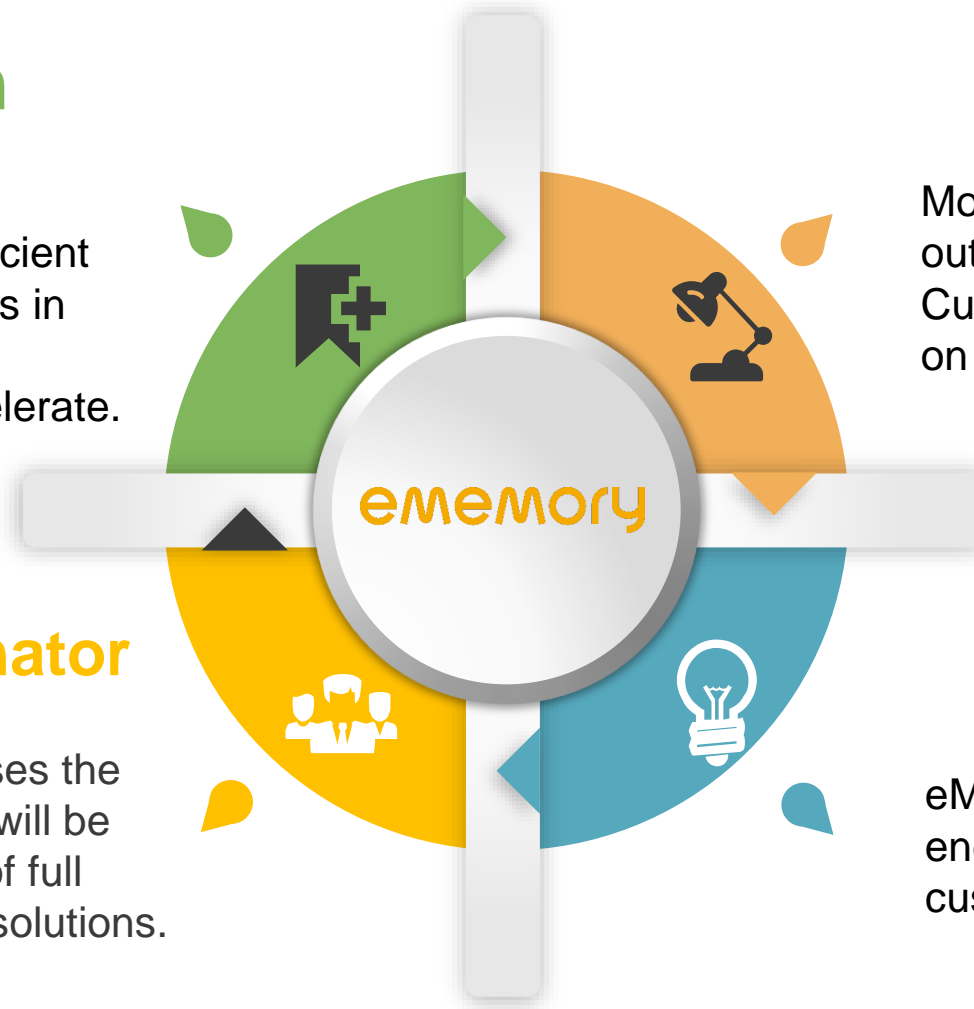
More 28 nm IP tape-outs in 2017 and 2018. Customers will move on to 16/14/12 nm.

OTP Dominator

After 7nm IP crosses the chasm, eMemory will be the sole provider of full spectrum of OTP solutions.

7 nm

eMemory is currently engaging 7 nm customers.



A hand is shown dropping a coin into a stack of coins. A small plant is growing from the stack. The background is a blurred green field. The image is framed by a white, torn-paper-like border.

Q3 Performance

Financial Income Statement

Amount in Thousands of NT Dollars, except margins/EPS/ROE

(Unit: K NTD)

	Q3 2018	Q2 2018	Q3 2017	change (QoQ)	change (YoY)
Revenue	393,225	302,073	384,423	30.2%	2.3%
Gross Margin	100%	100%	100%	-	-
Operating Expenses	204,342	183,706	205,291	11.2%	-0.5%
Operating Income	188,883	118,367	179,132	59.6%	5.4%
Operating Margin	48.0%	39.2%	46.6%	8.8ppts	1.4ppts
Net Income	168,572	112,193	194,062	50.3%	* -13.1%
EPS	2.23	1.48	2.56	50.7%	-12.9%
ROE	34.8%	23.2%	40.2%	11.6ppts	-5.4ppts

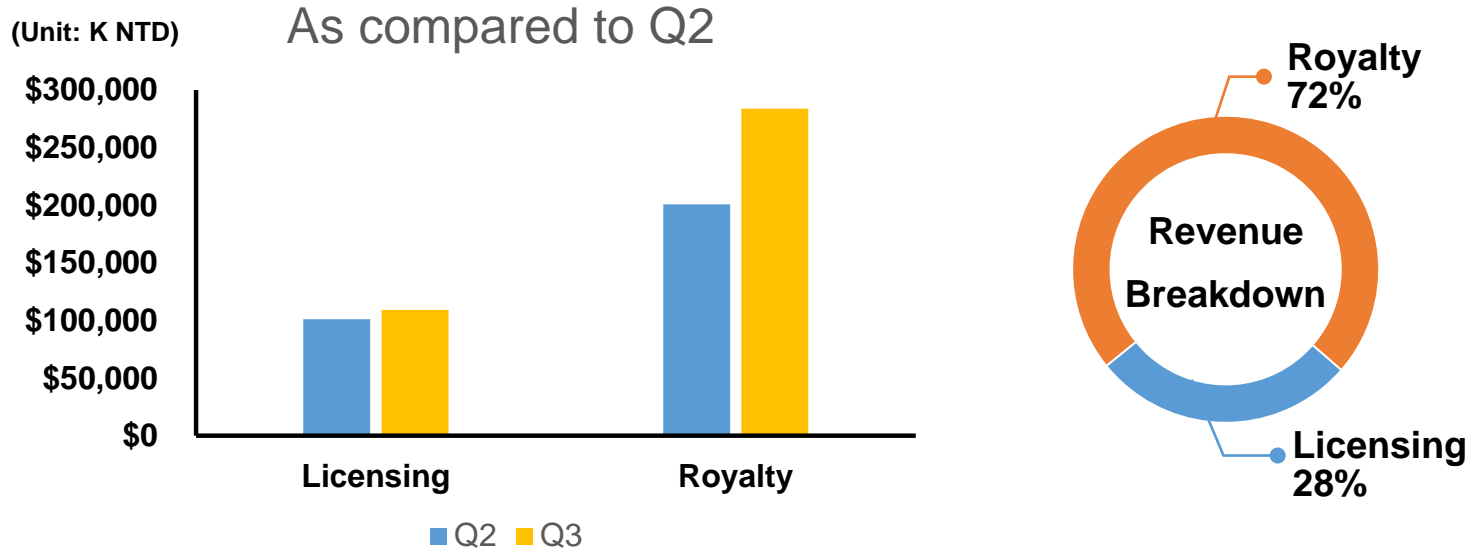
Note: Net Income declined due to non-operating gain in Q3 2017

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Q3 Revenue Breakdown

Amount in Thousands of NT Dollars, as compared to Q2



Revenue (Unit: K NTD)

	Q3 2018	Q2 2018	QoQ	Q3 2017	YoY	Q1 – Q3 2018	Q1 – Q3 2017	YoY
Licensing	109,257	101,283	7.9%	101,087	8.1%	325,080	309,373	5.1%
Royalty	283,968	200,790	41.4%	283,336	0.2%	744,684	744,519	0.0%
Total	393,225	302,073	30.2%	384,423	2.3%	1,069,764	1,053,892	1.5%



Q&A

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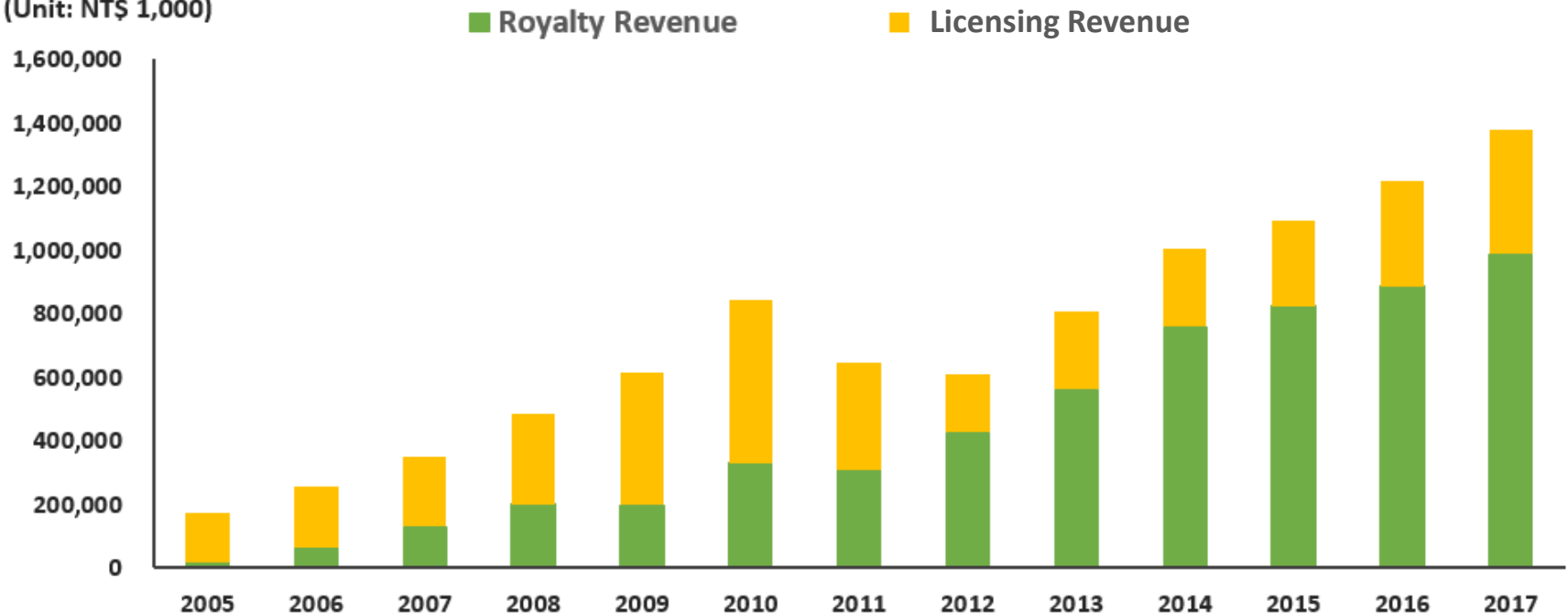
Appendix

Company Overview

eMemory is the global leader of embedded non-volatile memory IP

Revenue Trend

(Unit: NT\$ 1,000)



Founded
In 2000

Based in Hsinchu, Taiwan.
IPO in 2011

580+
Patents Issued

236 pending patents. 249
employees with 70% R&D
personnel

Best IP Partner
of TSMC

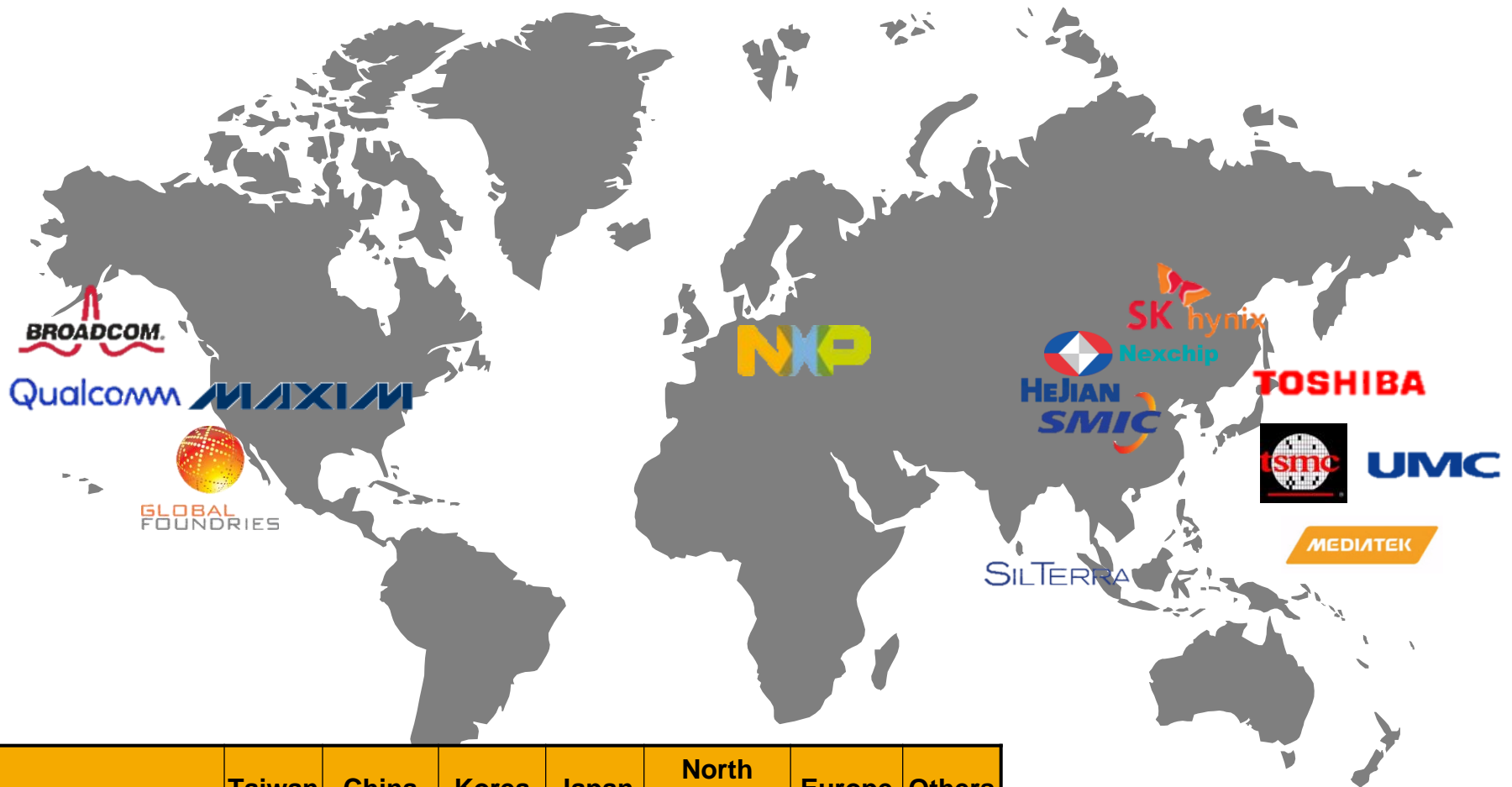
TSMC Best IP Partner Award
since 2010.

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Worldwide Customers

Our IP solutions are adopted by leading foundries, IDMs, and fabless worldwide

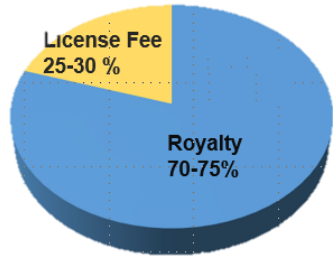


	Taiwan	China	Korea	Japan	North America	Europe	Others
Foundry	5	7	4	3	1	2	1
IDM	1	0	0	7	1	1	0
Fabless	267	592	77	55	264	118	58

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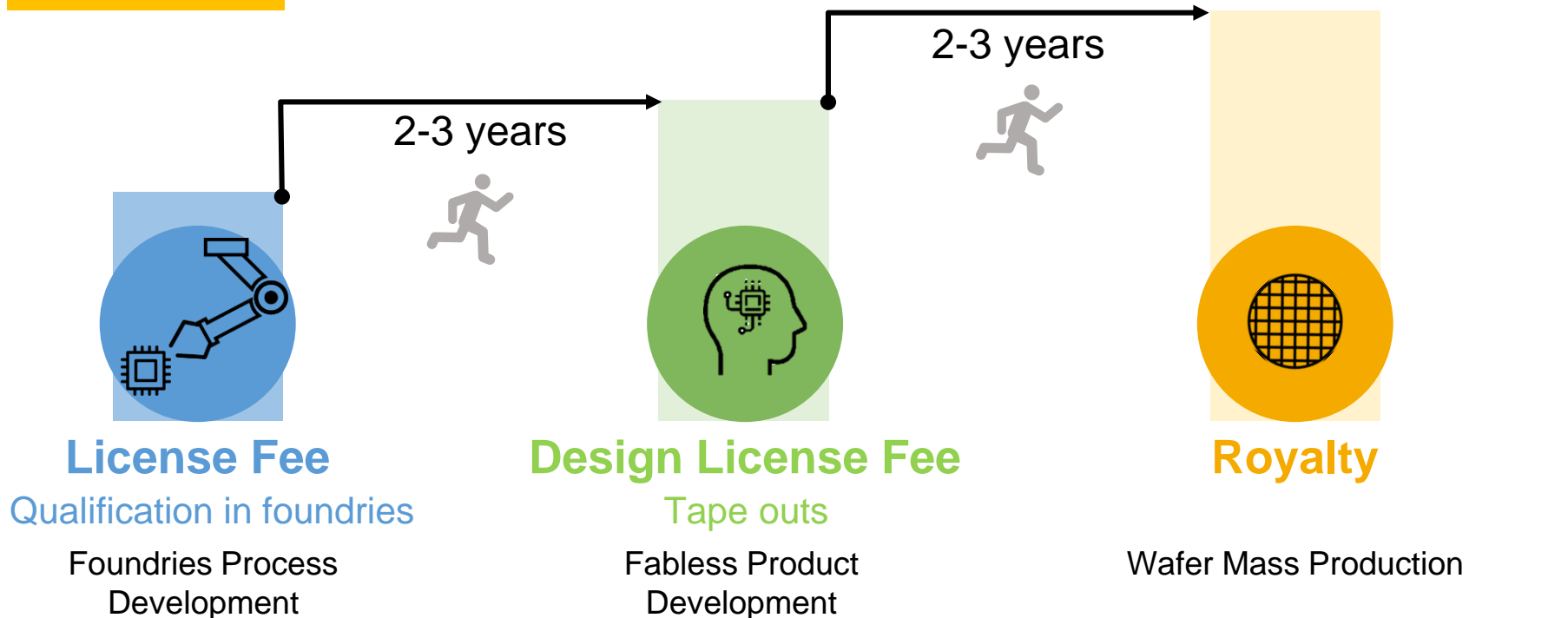
Business Model

Recurring royalty is the backbone of our business



**Revenue
Breakdown**

- ✓ 70-75% revenue are from royalty, based on wafer production
- ✓ More adoption = more wafer shipments
- ✓ More advanced node wafers = higher wafer ASP



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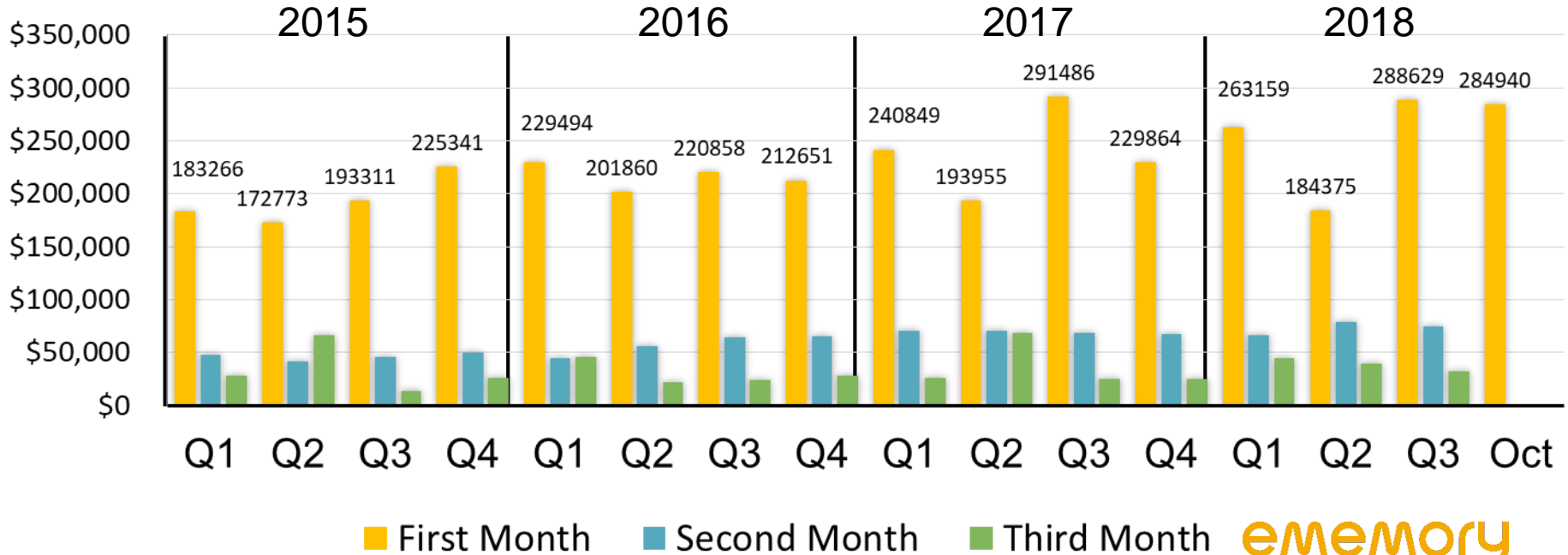
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Quarterly Revenue Pattern

eMemory's revenues are usually received in the first month of each quarter

- ✓ 1st month: Receive **License Fees** of the month and **Royalty** from most foundries on previous quarter's wafer shipments
- ✓ 2nd month: Receive **License Fees** of the month and **Royalty** from other foundries
- ✓ 3rd month: Receive **License Fees** of the month only.
- ✓ Two foundries pay royalty semiannually in Jan and July.

Unit: K NTD



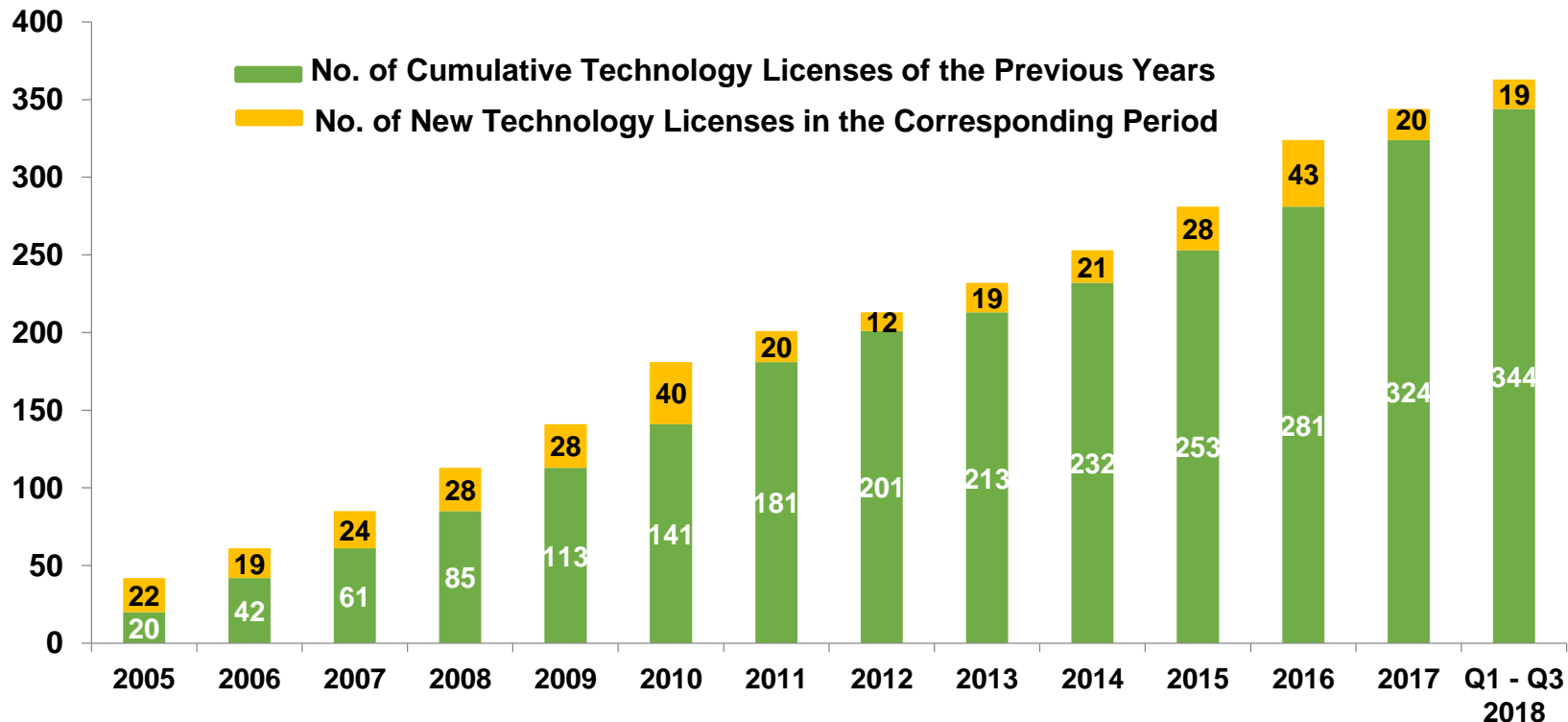
Technology Licenses

Cumulative technology licenses

Number of Licenses

Year	2015	2016	2017	Q1-Q3 2018
Licenses	28	43	20	19

Note: Terms (including number of process platforms and licensing fees) for each technology license are set contractually. Payments are made according to set milestones, and there are no particular seasonal factors involved.



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New Technology under Development

Products in different process nodes

- New technologies under development for **98** platforms as of Q3 2018
- **15** for NeoBit, **48** for NeoFuse, **5** for NeoPUF, **10** for NeoEE, and **20** for NeoMTP

	7/10nm	12/14/16nm	22/28nm	40nm	55/65nm	80/90nm	0.11~ 0.13um	0.15~ 0.18um
NeoBit	-	-	-	-	1	1	7	6
NeoFuse	2	4	13	6	7	11	3	2
NeoPUF	-	-	2	1	2	-	-	-
NeoEE	-	-	-	-	-	1	2	7
NeoMTP	-	-	-	-	2	1	8	9

As of Sep 30th, 2018

Technology Development

Development by process nodes

12" Fabs	Production	Development	IP Type	Process Type
7/10nm	0	2	OTP	FF
12/14/16nm	2	4	OTP	FF+
22/28nm	12	15	NeoPUF, OTP	LP/HPM, HLP/HPM, LPS, DRAM
40nm	10	7	OTP, MTP	HV-DDI, LP, eFlash
55/65nm	19	12	NeoPUF, OTP, MTP	LP, HV-DDI, HV-OLED, CIS, eFlash
80/90nm	8	9	OTP, MTP	HV-DDI, HV-OLED, LP, eFlash
0.13/0.11um	11	7	OTP, MTP	HV-DDI, BCD, Generic
0.18um	1	0	OTP	BCD
Total	63	56		

8" Fabs	Development	IP Type	Process Type
90nm	5	OTP	HV-DDI, LL
0.13/0.11um	13	OTP, MTP	HV-DDI, BCD, LP, RF, CIS, LL, Green
0.18/0.16/0.152um	24	OTP, MTP	Generic, LP, LL, MR, HV, Green, BCD
0.25um	0	OTP, MTP	BCD
0.35um	0	OTP	UHV
Total	42		

Note: As of Sep. 30th, 2018

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THANKS

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